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EXECUTIVE OFFICE OF THE PRESIDENT COPY NO. NATIONAL SECURITY COUNCIL WASHINGTON

July 6, 1954

MEMORANDUM FOR THE NATIONAL SECURITY COUNCIL

SUBJECT:

United States Objectives and Policies with

Respect to the Near East

REFERENCES:

NSC 155/1 A.

NSC 5402 and 5409 В.

C. NIE 30-54

The enclosed draft amendments to the statement of policy on the subject in NSC 155/1 and draft statement of policy supplementary to NSC 155/1, prepared by the NSC Planning Board on the basis of an initial draft by the Department of State, are transmitted herewith for consideration by the National Security Council at its meeting on July 15, 1954. Draft amendments to the staff study in NSC 155/1 are also enclosed for the information of the Council.

Attention is invited to the alternative paragraphs 10, 11 and 12 in the draft supplementary statement of policy.

It is recommended that, if the Council adopts the enclosed amendments and additions to the statement of policy in NSC 155/1, they be submitted to the President with the recommendation that he approve them; direct their implementation by all appropriate Executive departments and agencies of the United States Government; and designate the Operations Coordinating Board as the coordinating agency.

> JAMES S. LAY, Jr. Executive Secretary

The Secretary of the Treasury CCI

The Chairman, Joint Chiefs of Staff

The Director of Central Intelligence

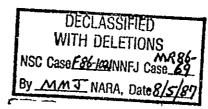
DECLASSIFIED Authority NSC Case F86-1021 NNFT CASE MR 86-69

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UNITED STATES OBJECTIVES AND POLICIES WITH RESPECT TO THE NEAR EAST

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PROPOSED AMENDMENTS TO STATEMENT OF POLICY IN NSC 155/1

Under "General Considerations" add a new par. to follow par. 4 (page 3):

The rate of economic growth and distribution of its benefits are among the important factors affecting internal stability, popular and leadership attitudes toward the Free World and Communism, and the maintenance of governments free of Communist control or influence. It is in U. S. interests to help guide the social and economic pressures for revolutionary change into channels leading to healthy economic growth while maintaining and improving political stability.

<u>Under "General Considerations" delete par. 5 (page 3) and substitute:</u>

- 5. a. An increase in military training and strength in the Near East would help to induce internal stability and political orientation towards the West, and may instill in the local peoples confidence in their ability to help protect themselves.
- b. The best prospect for creating an indigenous regional defense arrangement in the Near East lies in the concept of the "northern tier", which would include Turkey, Pakistan, Iran and Iraq. The Turkish-Pakistan

Pact is the first step in this direction.* Greater strength may be obtained in the initial stages by limiting the defense arrangements to the four states named. The concept has aroused resentment on the part of certain Arab states, especially Egypt and Saudi Arabia, but may provoke a desirable pull away from the negative Arab League.

arrangement may be expected to be primarily political and psychological rather than military. Such a grouping should strengthen Western-oriented elements and tend to bring about greater awareness of the Soviet threat and greater willingness to cooperate both regionally and with the West. However, it would not, in itself,

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B. Endeavors to meet, as far as possible, the requirements of the parties in the production of arms and ammunition.

^{*} The key security provisions of the Pact are:

Article 2. "The contracting parties will consult on international matters of mutual interest and, taking into account international requirements and conditions, cooperate between themselves to the maximum extent."

Article 4. "The consultation and cooperation between the contracting parties in the field of defense shall cover the following points:

A. Exchange of information for the purpose of deriving benefit jointly from technical experience and progress.

C. Studies and determination of the ways and extent of cooperation which might be effected between them in accordance with Article 51 of the Charter of the United Nations, should an unprovoked attack occur against them from outside."

materially affect the internal weakenesses which have thus far undermined Near East strength and stability.

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- d. Militarily, a regional defense arrangement together with U. S. military aid programs, may permit the eventual significant reduction of the requirement for outside ground forces. However, achievement of even this limited goal would be a long and costly operation, and effective Near East defense will continue to depend for the foreseeable future on substantial Western force contributions.
- e. The indigenous nature of the organization is an essential feature. The creation of strength and self-reliance, regardless of whether any formal link to the West is established at this time, will be an important impediment to Soviet cold-war activities, including subversion. Until progress can be made in settling present disputes between the British, French and Arabs and until Arab resentment toward the West arising from the creation of Israel can be reduced, there is little possibility of including both the Arab states and the West (except Turkey) in a formal defense organization.
- f. Adherence of Iraq and Iran will require an improvement in the political climate in these states. In
 addition, the support of the British will be an important
 factor in determining the success of the "northern tier"

now held by the UK, particularly regarding the inclusion of Iran.

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- g. U. S. military equipment available to strengthen the area should be channeled primarily to the "northern tier" states, and when appropriate to Egypt, which offer the best prospect of creating real strength. A large flaccid grouping, each member of which receives a nominal amount of military aid, will provide neither military strength nor political attraction.
- h. Military aid plans must take into account the economic capabilities of the states receiving such aid. A rapid military build-up, even in selected countries, might have damaging economic and political effects.
- i. Inclusion of Israel at this time would result in Arab refusal to cooperate. Moreover, U. S. arming of the Arabs and efforts toward a regional grouping would continue to arouse sharp Israel opposition and increase Arab-Israel tensions. Because of the present preponderance of Israel's military strength, arms aid to the Arab states would not materially change the power relationship for a considerable period, but adequate safeguards are desirable to prevent misuse in the future and justified concern by Israel. If these dangers can be met, successful development of the security arrangements should in the long run exert a helpful effect on the Arab-Israel problem.

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Under "General Courses of Action" delete par, 12-h (page 5) and substitute:

h. Encourage the development of indigenous regional defense arrangements which will increase the stability and strengthen the security of the area. Be prepared eventually to participate in such arrangements, when the political climate in the area makes this practicable.

Under "General Courses of Action" add a new sentence to par. 12-i:

Seek to increase the participation of intellectuals in Western-oriented activities.

Under "General Courses of Action" add new pars. 12-k and 12-1:

k. Strengthen cultural, educational and information programs.

1. Conduct covert activities in support of U.S. Africation objectives.

Under "Specific Courses of Action," number present par. 13 (page 5) as 13-a and add the following as 13-b:/

the Saudi Arabian Government that no agreement concluded agreement with Ouassis by that government for the transport of Saudi Arabian-produced oil will interfere in any way with present or future arrangements for lifting of oil for the U.S.

Armed Forces in ships controlled or owned by the U.S.

Government. — Defense proposal.

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Under "Specific Courses of Action" delete the text of par. 14 (pages 5-7); and add the following footnote to the title of par. 14:

* A detailed, supplementary statement of policy on the Arab-Israel problem is attached.

Under "Specific Courses of Action" delete par, 16 (page 8) and substitute:

16. Area Defense. The U. S. should:

- a. Develop secretly plans for the defense of the area with the UK, Turkey, and such others as may be desirable.
- b. Conduct secret military-political conversations in the near future with the UK regarding development of the "northern tier" concept as an indigenous movement, not linked formally at this time with the Western Powers or with Western defense organizations except through the participation of Turkey.
- c. Encourage when appropriate the adherence of Iraq and Iran to the Turkish-Pakistan Pact, avoiding pressure but endeavoring to create political conditions which will make adherence possible and attractive.
- d. Associate Egypt with the defense arrangements should she so request, and make clear to her that the "northern tier" concept does not derogate from the importance the U. S. attaches to strengthening Egypt. Neither encourage nor discourage other arab states from asking to participate in regional security arrangements. In

order to avoid creating harmful friction, treat sympathetically any overtures made, but bear in mind the importance of maintaining the indigenous nature of the organization and the desirability of concentrating available U. S. military assistance. Pending the settlement of Arab-Israel tensions, refrain from supporting requests from Israel to join such defense arrangements.

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Continue military aid to the states forming the "northern tier" (Turkey, Pakistan, Iran and Iraq) and undertake military assistance to Egypt when developments regarding the Suez Base warrant it. Render military assistance at an appropriate later date to other Arab states depending on (1) their willingness to contribute to regional defense arrangements; (2) the effectiveness of such assistance in creating political and military strength; (3) the status of the Arab-Israel conflict. In addition, military assistance may be provided where it may be necessary to further specific U. S. security interests such as transit and base rights. Control the scope, character and phasing of military assistance to minimize the possibility of its use for aggressive purposes; and furnish military aid only after receiving appropriate guarantees against its use for Consider the politico-economic situation in aggression. plans for military build-up which might require appropriate measures to prevent damaging political and economic effects.

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f. When politically feasible, seek to obtain transit and base rights where required within the area, and, non the threat of and during general hostilities, the right to operate forces in the territories of the various nations of the area.

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g. If formal U. S. commitments with respect to the regional defense arrangements, or association of the arrangements with other defense organizations of the Western Powers, should appear desirable, appropriate proposals should be submitted for Council consideration.

NOTE: The paragraphs in NSC 5402 on Iran and NSC 5409 on South Asia dealing with security of the area do not conflict with this paper and require no change.

SUPPLEMENTARY STATEMENT OF POLICY ON THE ARAB-ISRAEL PROBLEM (Proposed for addition to NSC 155/1)

GENERAL CONSIDERATIONS

- 1. During the past year tensions have increased between the Arab states and Israel, and the Soviet Union has stepped up its activities in the Near East. The point has been reached where new means should be sought to alleviate the situation, not only because of the seriousness of the Arab-Israel problem per se, but in order to preclude the danger of the loss of the Near East by the West.
- 2. A definitive peace between the Arab states and Israel should continue to be the ultimate objective of the U.S., but it is unrealistic to hope for a permanent settlement in the early future because of presently irreconcilable basic attitudes. The U.S. approach should be gradual and practical.
- 3. On the Arab side, small-scale infiltration persists on the part of individuals and small groups acting on their own responsibility. There is no evidence of organized military activity by the Arab states acting in concert or by any individual Arab state. On the other hand, the Israel Government, concerned at the failure of its efforts to secure peace on the basis of the status quo, appears to be following a deliberate policy of reprisals based on the theory that

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- 4. Each side is fearful that the other possesses aggressive intentions. The Arabs doubt that the U. S., UK and France will act to restrain Israel and read with foreboding of Israel efforts to stimulate immigration. Israel is alarmed at the recent steps indicative of the U. S.'s impartial attitude, which Israel interprets as a change from traditional U. S. friendship. Her concern is intensified by the U. S. program of arms aid to the Arabs, which she fears may diminish her present military superiority, and encourage an eventual Arab attack.
- 5. Reduction of border tensions and effective assurances to both sides against aggression are prerequisites to progress towards a peaceful settlement. These tasks are beyond the capacity of the parties acting by themselves. Despite continued U. S. support, the UN alone also appears incapable of coping with the problem in view of its loss of prestige in the area and in the face of current Soviet obstructionism. Therefore, the U. S. Government, in association with other powers, is impelled to assume responsibility in developing solutions and ensuring their implementation. The measures taken should be commensurate in scope and firmness with the

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Israel from embarking upon aggression as a preventive measure while she has military superiority; (2) to allay the fears of Israel with respect to the possibility of Arab aggression following a program of arms aid to the Arab countries, (3) to deter the Arab countries from giving serious consideration to aggressive actions against Israel following the receipt of arms. Much of the effectiveness of these measures as a deterrent depends on the extent to which the U. S. is prepared to declare itself openly.

- To accomplish its objective of bringing the Near East behind the Iron Curtain the USSR is striving to create chaos and to nullify the influence of the Western Powers. Recently concluded trade agreements, industrial fairs, public announcements, and, particularly, actions in the UN, reflect the increased USSR attention to the area. Continuation of the present trend toward consistent and open championship of the Arabs would give the USSR an effective and inexpensive means of improving its position in the area. Should a further deterioration of the security situation occur, the resulting unrest would provide the USSR with manifold opportunities for improving its position. Should Israeli aggression occur and the Western Powers fail to restore the situation, a decisive movement of the area away from the West and possibly into the Soviet sphere of influence must be anticipated.
- 7. Collaboration with the UK in developing and implementing area policies is important. Although UK influence

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has declined, Britain retains substantial interests and assets. Of particular significance is the Anglo-Jordanian Defense Treaty, under which Britain has informed Israel she will act in case of any Israel attack on Jordan. While France may be expected to provide little effective help, her association in the Tripartite Declaration of May 1950 suggests assigning here a nominal role if possible without impairing the measures we regard as necessary. Turkey, a member of the Palestine Conciliation Commission might play a useful role, but here effectiveness would be counter-balanced in part by Arab suspicions of Turkish aspirations in the Near East.

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8. Progress on the Arab-Israel problem would affect significantly the willingness of states in the area to participate in indigenous collective security arrangements for defense against Soviet aggression. Concomitant development of security arrangements should ultimately serve to place the Arab-Israel question in its proper perspective and diminish the predominant preoccupation of the Arab states with Israel.

(Supplementary to those in the basic paper)

- 9. a. To deter an armed attack by Israel or by the Arab states, and if an armed attack should occur to force the attacking state to relinquish any territory seized.
- b. To reduce current Arab-Israel tensions and promote an eventual clear-cut peace between the Arab states and Israel.
 - c. To alloviate the Arab refugee problem.

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Page 13 entire page is exempt from disclosure under E.O. 12356, Section (a)(5) and, therefore, exempt under 5 U.S.C. 552(b)(1).

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A. Make every effort at the outset to secure UN sanction and support for the above measures; Tout, if it appears that UN action will not be forthcoming promptly, be prepared in an urgent situation to take such measures without delay pursuant to Article 51* of the Charter 7**

11. In collaboration with the UK, and to the extent desirable and feasible with France and Turkey, develop plans (5)(5) the measures in par. 10 above.

*Article 51: Nothing in the present Charter shall impair the inherent right of individual or collective selfdefense if an armed attack occurs against a Member of the United Nations, until the Security Council has taken the measures necessary to maintain international peace and security. Measures taken by Members in the exercise of this right of self-defense shall be immediately reported to the Security Council and shall not in any way affect the authority and responsibility of the Security Council under the present Charter to take at any time such action as it deems necessary in order to maintain or restore international peace and security.

(b) (1) (a)(5)

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State, FOA, CIA Proposal

way deemed appropriate, make the policy in par. 10 above known to Israel and individual Arab states privately, or through a public declaration by the U.S. and cooperating powers. This declaration would state the determination to prevent

teration of existing armistice lines by an armed
attack, and would make use
of the Tripartite Declaration of May 25, 1950 to the

extent desirable.

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deemed appropriate, the U.S. and cooperating powers should, by a joint declaration, make known to Israel and individual Arab States their determination to prevent any alteration in the existing armistice lines and in so doing make use of the Tripartite Declaration of May 25, 1950 to the extent desirable.

13. As appropriate, enlist Congressional support for the measures in pars. 10 and 12 above.

-li. Explain to the American public and to the peoples of the states concerned U.S. thinking and intentions on the entire Arab-Israel problem.

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- 15. Pursue actively, both directly and through the UN, measures to establish tranquillity along the Arab-Israel armistice line, working in collaboration to the extent desirable and feasible with the UK and France.
- 16. Use U. S. influence to secure Arab-Israel boundary settlements, which may include some concessions by Israel.
- 17. Cooperate in seeking a fair settlement of the status of Jerusalem and the Holy Places in Palestine, acceptable to the states directly involved and to most nations of the free world.
- 18. Maintain both the fact and appearance of impartial friendship with the Arab states and Israel, avoiding preferential treatment of any state and demonstrating equal interest in the well-being of each.
- 19. Seek by all appropriate means to secure an agreed and equitable division of the waters of the Jordan river system between Israel and the interested Arab states and the establishment of an international control authority. Take such steps as may be feasible to ensure that neither party prejudices the allocation of the available waters by an international control authority. Link the development of the Jordan Valley to Arab refugee resettlement to the maximum extent practicable.

20. With respect to Israel:

a. Take such measures as are feasible to convince the Israelis, and their U. S. supporters, of the inadvisability, from the standpoint of Israel's national

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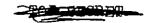
interests, (1) of trying to win a better situation in the Near East by force; (2) of resuming large-scale Jewish immigration into Israel; (3) of doctrines implying an intent to dominate the Near East.

- b. While progressively reducing the amount of economic aid furnished to Israel, so as to bring it into impartial relationship to aid to others in the area, exert pressure on Israel to adopt the financial measures necessary for progressing as rapidly as possible toward a self-sustaining economy, and continue to assist Israel toward viability.
- c. Continue to urge Israel to accept a limited number of Arab refugees and to work out promptly arrangements for the release of blocked Arab funds and for the payment of reasonable compensation to the Arab refugees at an appropriate time, preferably in connection with actual resettlement or repatriation.

21. With respect to the Arab states.

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- Attempt to move forward as rapidly as is practicable on the Arab refugee problem by such means as resettlement in the Arab states or outside the Near East. To the extent feasible, work through the UN Relief Works Agency.
- <u>b</u>. Continue economic and technical aid in conformity with paras. 17-a, c, and d of the above general policy



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statement on the Near East, emphasizing projects facilitating the resettlement of Arab refugees.

- c. Extend military aid in conformity with par. $16-\underline{0}$ of the above general policy statement on the Near East. Inform the Arab states that the U.S. may state publicly that their assurances against aggression are applicable to all countries, including Israel.
- d. Work for eventual elimination of the Arab economic boycott of Israel, resist Arab efforts to impose a secondary boycott on U. S. trade with Israel, continue support for the Security Council resolution calling for removal of Egyptian restrictions on Suez Canal traffic to Israel; help to restore normal commercial intercourse, and surface and air transportation between Israel and the Arab states.
- Q. Make clear to the Arabs that we cannot accept their negative attitude toward proposals involving recognition of the existence of Israel and their refusal to consider the possibility of an eventual settlement.

 While reminding the Arabs that peace is the ultimate objective, exercise caution lest stress on this goal prevent Arab acceptance of the necessary intermediate steps.
- 22. In addition to the foregoing, use political, economic, and psychological measures to bring about in the long run a progressive reduction in tension between the Arab

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states and Israel leading to conditions under which ultimate peace may be secured.

PROPOSED AMENDMENTS OF STAFF STUDY IN NSC 155/1

Delete the sentence in parentheses in par. 5 (pp. 14-15)
Par. 26 -- Insert the following new sub-par. f (page 25)

Diversion of River Jordan Waters. An expansion of agriculture by irrigating desert lands in the Jordan River basin provides the major present hope for resettlement of a substantial number of Arab refugees. Israel's development plans call for the diversion of nearly all the waters of the upper Jordan to Israel territory outside of the water shed. In execution of this plan, Israel commenced in September 1953 a canal at Banat Ya qub in the Syrian-Israel demilitarized area. This work was temporarily suspended pending Security Council consideration of the matter. After the USSR vetoed a resolution supported by the U.S., U.K. and France, Israel made clear that it felt free to recommence the work on the project. Unilateral diversion by Israel probably would preclude Arab acceptance of the plan supported by the United States for an equitable division of the Jordan waters and for the supervision of flow within the basin by an impartial international authority in order to provide for the full utilization of the waters in the interest of all the inhabitants.

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Syria regards Israel's plans to divert Jordan waters at Banat Ya'qub as affecting her vital interest. Resumption of work at Banat Ya'qub is likely to provoke a violent Syrian reaction, including possibly the use of Syrian troops. This in turn could well result in a large-scale Israel attack on Syria. Because of these potentially dangerous consequences, it is important that the U.S. take the firmest political and economic steps to prevent, or if necessary, stop, a unilateral resumption by Israel of work at Banat Ya'qub.

Delete pars. 27, 29 and 30 (pages 25-26) and substitute the following:

- 27. The U. S. looks forward to the eventual creation of a regional defense organization in the Middle East in which it would participate or with which it would be associated as being in its own security interests. Once such a regional defense organization comes into being, the U. S., should this be politically expedient at the time, would be prepared to be represented on such military boards or planning groups as might be established. In the interim period, the U. S. is ready to provide arms and training assistance to further the creation of such an indigenous organization and to develop regional defensive strength.
 - 29. a. While retaining the hope for a regional defense organization linked to the West, it is recognized that there is at present no political base for such an



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organization. Genuine prospects exist, however, for the creation of an indigenous regional defense arrangement among the nations forming the so-called "northern tier", that is, Pakistan, Iran, Iraq and Turkey. Turkish-Pakistan Pact is a first step in this direction. An organization of the type mentioned would substantially increase the ability of the area to resist Soviet attempts at subversion and the countries involved have the potential to permit the creation of defensive strength against overt Soviet attack. U. S. initiative should not be deterred by existing military weakness, reminiscent of that found in Turkey in 1946. The efforts of the U.S. should be directed at creating conditions which will make it politically possible and desirable for certain states to form such defense ar-The U.S. to the extent feasible should endeavor to work through Turkey and Pakistan and at least publicly should refer any inquiries regarding adherence to those two countries.

29. <u>b.</u> Originally, the regional defense arrangements should be limited to Turkey, Iran, Iraq and Pakistan. (This classification calls for special attention to the necessity to improve the situation in Iran, which is a subject of separate NSC consideration.) An effort to include all the Arab states at the outset would result in an amorphous grouping with slight prospects of

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developing quickly real strength or cohesion, thereby reducing its value to the West in both military and political terms. From the viewpoint of the Arab states one of the major inducements to joining is the prospect of receiving U. S. military assistance. Should they all be encouraged to participate, available equipment would be dispersed. However, should other Arab states express a desire to associate themselves, it would be difficult to discourage them without harmful political effects. Any inquiries would have to be considered sympathetically, but bearing in mind the desirability of concentrating arms assistance.

29. C. In determining to extend aid to Iran, Iraq, Pakistan and Turkey, the U. S. has chosen states which are most keenly aware of the threat of Soviet Russia and which are located geographically in the way of possible Soviet aggression. Although Iran, and so far Iraq, have not shown a willingness to participate in regional defense arrangements, the provision of military assistance is expected to exert a powerful stimulus in emboldening their governments to take steps in that direction unpalatable to powerful internal groups and to certain of their neighbors. In the case of Egypt a commitment has been made by the President, in order to facilitate a settlement of the Suez Base problem, to

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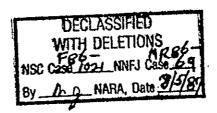
extend economic and military assistance if an Anglo-Egyptian agreement is reached. The results of military assistance to the other Arab states in terms of increased regional security would not be as significant as in the case of Egypt and Iraq. Therefore, aid to them should be extended at a later date and conditioned upon their participation in regional defense arrangements and the status of the Israel-Arab problem. Any state receiving aid would be required to give adequate guarantees against the use of arms for aggressive purposes and should be informed that the U.S. must be in the position to state publicly that these guarantees apply equally to aggression against Israel. Zall provisions in the aid agreements should be simple, direct and devoid of legalisms. 7* Until political conditions would make such a move acceptable, the U.S. should not request any formal links to the West or base or troop rights. However, when politically feasible, the U.S. should seek to obtain transit and base rights where required within the area, and, upon the threat of or during general hostilities, the right to operate forces in the territories of the various nations of the area. (In the case of Egypt, the U. S. may obtain availability rights at the Suez Base in connection with an Anglo-Egyptian settlement).

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^{*} Defense proposes deletion.



30. An invitation to Israel to participate at this time in the regional defense organization would preclude. cooperation by the Arab states. Also, extension of grant military assistance to Israel would largely nullify the effectiveness of military aid in inducing Arab cooperation. Considering the relative preponderance of Israel's military strength, the guarantees required from the Arab states, and the other steps planned with respect to the Arab-Israel problem, it is not believed that the arms provided the Arab states The possibility would constitute a military threat to Israel. that the arms program might in the future present a danger to Israel and the fears which will almost certainly be raised in Israel should be met by the measures mentioned in the NSC supplement on the Arab-Israel problem. Once relations between the Arab states and Israel are normalized, consideration should be given to associating Israel with the defense arrangements.



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